

**SUBSTITUTE FOR
SENATE BILL NO. 1077**

A bill to amend 1972 PA 382, entitled
"Traxler-McCauley-Law-Bowman bingo act,"
by amending sections 3, 4a, and 12 (MCL 432.103, 432.104a, and
432.112), section 3 as amended by 2009 PA 41 and section 4a as
added and section 12 as amended by 1999 PA 108.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3. As used in this act:

2 (a) "Educational organization" means an organization within
3 this state that is organized not for pecuniary profit, whose
4 primary purpose is educational in nature and designed to develop
5 the capabilities of individuals by instruction in any public or
6 private elementary or secondary school that complies with the
7 revised school code, 1976 PA 451, MCL 380.1 to 380.1852, or any
8 private or public college or university that is organized not for
9 pecuniary profit and that is approved by the state board of

1 education.

2 (b) "Fraternal organization" means an organization within
3 this state, ~~except~~ **OTHER THAN** a college fraternity or sorority,
4 that ~~is~~ **MEETS ALL OF THE FOLLOWING CRITERIA:**

5 (i) **IS** organized not for pecuniary profit. ~~that is~~

6 (ii) **IS** a branch, lodge, or chapter of a national or state
7 organization ~~and that exists~~ **OR, ONLY FOR THE PURPOSE OF**
8 **CONDUCTING A SMALL RAFFLE OR A LARGE RAFFLE UNDER THIS ACT, IF**
9 **NOT A BRANCH, LODGE, OR CHAPTER OF A NATIONAL OR STATE**
10 **ORGANIZATION, IS EXEMPT FROM TAXATION UNDER SECTION 501(C) OF THE**
11 **INTERNAL REVENUE CODE OF 1986, 26 USC 501.**

12 (iii) **EXISTS** for the common purpose, brotherhood, or other
13 interests of its members.

14 (c) "Licensee" means a person or qualified organization
15 licensed under this act.

16 (d) "Member" means an individual who qualified for
17 membership in a qualified organization under its bylaws, articles
18 of incorporation, charter, rules, or other written statement.

19 (e) "Michigan national guard" and "military" mean those
20 terms as defined in section 105 of the Michigan military act,
21 1967 PA 150, MCL 32.505.

22 (f) "Person" means a natural person, firm, association,
23 corporation, or other legal entity.

24 (g) "Qualified organization" means, subject to subdivision

25 (h), either of the following:

26 (i) A bona fide religious, educational, service, senior
27 citizens, fraternal, or veterans' organization that operates

1 without profit to its members and that either has been in
2 existence continuously as an organization for a period of 5 years
3 or is exempt from taxation under ~~26 USC 501(e)~~. **SECTION 501(C) OF**
4 **THE INTERNAL REVENUE CODE OF 1986, 26 USC 501.**

5 (ii) Only for the purpose of conducting a small raffle or a
6 large raffle under this act, a component of the military or the
7 Michigan national guard whose members are in active service or
8 active state service.

9 (h) "Qualified organization" does not include a candidate
10 committee, political committee, political party committee, ballot
11 question committee, independent committee, or any other committee
12 as defined by, and organized under, the Michigan campaign finance
13 act, 1976 PA 388, MCL 169.201 to 169.282.

14 (i) "Religious organization" means any of the following:

15 (i) An organization, church, body of communicants, or group
16 that is organized not for pecuniary profit and that gathers in
17 common membership for mutual support and edification in piety,
18 worship, and religious observances.

19 (ii) A society of individuals that is organized not for
20 pecuniary profit and that unites for religious purposes at a
21 definite place.

22 (iii) A church related private school that is organized not
23 for pecuniary profit.

24 (j) "Senior citizens organization" means an organization
25 within this state that is organized not for pecuniary profit,
26 that consists of at least 15 members who are 60 years of age or
27 older, and that exists for their mutual support and for the

1 advancement of the causes of elderly or retired persons.

2 (k) "Service organization" means either of the following:

3 (i) A branch, lodge, or chapter of a national or state
4 organization that is organized not for pecuniary profit and that
5 is authorized by its written constitution, charter, articles of
6 incorporation, or bylaws to engage in a fraternal, civic, or
7 service purpose within the state.

8 (ii) A local civic organization that is organized not for
9 pecuniary profit; that is not affiliated with a state or national
10 organization; that is recognized by resolution adopted by the
11 local governmental subdivision in which the organization conducts
12 its principal activities; whose constitution, charter, articles
13 of incorporation, or bylaws contain a provision for the
14 perpetuation of the organization as a nonprofit organization;
15 whose entire assets are used for charitable purposes; and whose
16 constitution, charter, articles of incorporation, or bylaws
17 contain a provision that all assets, real property, and personal
18 property shall revert to the benefit of the local governmental
19 subdivision that granted the resolution upon dissolution of the
20 organization.

21 (l) "Veterans' organization" means an organization within
22 this state, or a branch, lodge, or chapter within this state of a
23 state organization or of a national organization chartered by the
24 congress of the United States, that is organized not for
25 pecuniary profit, the membership of which consists of individuals
26 who were members of the armed services or armed forces of the
27 United States. Veterans' organization includes an auxiliary of a

1 veterans' organization that is a national organization chartered
2 by the congress of the United States.

3 Sec. 4a. (1) Except as provided in subsections (2) and (3),
4 if the commissioner determines that the applicant is a qualified
5 organization and is not ineligible under section 18 and the
6 applicant has paid to the bureau the appropriate fee, the
7 commissioner may issue 1 or more of the following licenses:

8	<u>License</u>	<u>Fee</u>
9	(a) Large bingo.....	\$ 150.00
10	(b) Small bingo.....	\$ 55.00
11	(c) Special bingo.....	\$ 25.00
12	(d) Millionaire party.....	\$ 50.00 per day
13	(e) Large raffle.....	\$ 50.00 per
14	drawing date	
15	(f) Small raffle:	
16	(i) One to 3 drawing dates.....	\$ 15.00
17	(ii) Four or more drawing dates.....	\$ 5.00 per
18	drawing date	
19	(g) Annual charity game.....	\$ 200.00
20	(h) Special charity game.....	\$ 15.00 per day
21	(i) Numeral game.....	\$ 15.00 per day

22 (2) Under extreme hardship conditions as determined by the
23 commissioner, the commissioner may waive 1 or more requirements
24 of a qualified organization described in section 3 to permit the
25 licensing of a special bingo, millionaire party, or raffle, if
26 all of the following conditions are met:

1 (a) The organization applying for the license is a nonprofit
2 organization.

3 (b) The entire proceeds of the event, less the actual
4 reasonable expense of conducting the event, are donated or used
5 for a charitable purpose, organization, or cause.

6 (c) None of the individuals connected with the conduct of
7 the event is compensated in any manner for his or her
8 participation.

9 (d) The organization complies with all other provisions of
10 this act and rules promulgated under this act.

11 (3) Under extreme hardship conditions as determined by the
12 commissioner, the commissioner may allow an individual or a group
13 of individuals to obtain a license to conduct a special bingo,
14 millionaire party, or raffle if all of the following conditions
15 are met:

16 (a) The entire proceeds of the event, less the actual
17 reasonable expense of conducting the event, are donated or used
18 for a charitable purpose, organization, or cause.

19 (b) None of the individuals connected with the conduct of
20 the event is compensated in any manner for his or her
21 participation.

22 (c) The individual or group of individuals complies with all
23 other provisions of this act and the rules promulgated under this
24 act.

25 (4) Each event license issued to a qualified organization is
26 valid for only the location included on the license.

27 (5) A license is not assignable or transferable.

1 (6) The licensee is responsible for ensuring that the events
2 are conducted in compliance with this act and rules.

3 (7) A licensee shall only conduct events licensed under this
4 act during the hours and on the day and date or dates stated on
5 the license.

6 (8) IN CONNECTION WITH AN APPLICATION FOR A SMALL RAFFLE
7 LICENSE OR A LARGE RAFFLE LICENSE, IN DETERMINING WHETHER A
8 FRATERNAL ORGANIZATION THAT IS NOT A BRANCH, LODGE, OR CHAPTER OF
9 A NATIONAL OR STATE ORGANIZATION IS A QUALIFIED ORGANIZATION, THE
10 COMMISSIONER SHALL ONLY CONSIDER WHETHER THE ORGANIZATION MEETS
11 REQUIREMENTS THAT ARE APPLICABLE UNDER THIS ACT THAT ARE
12 UNRELATED TO WHETHER THE ORGANIZATION IS A BRANCH, LODGE, OR
13 CHAPTER OF A NATIONAL OR STATE ORGANIZATION.

14 Sec. 12. (1) The bureau shall enforce and supervise the
15 administration of this act. The commissioner shall employ
16 personnel as necessary to implement this act.

17 (2) THE BUREAU MAY SELECT FRATERNAL ORGANIZATIONS THAT ARE
18 NOT A BRANCH, LODGE, OR CHAPTER OF A NATIONAL OR STATE
19 ORGANIZATION TO AUDIT TO ENSURE THAT THE ORGANIZATIONS ARE IN
20 COMPLIANCE WITH THIS ACT.